

2005-443



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PUBLIC SERVICE
COMMISSION

October 31, 2005

Beth O'Donnell, Executive Director
Commonwealth of Kentucky
Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602-0615

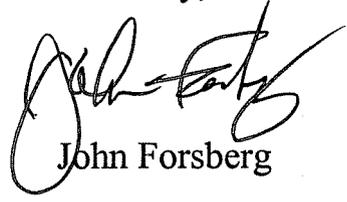
Re: Citipower L.L.C.
Quarterly Report of Gas Cost Recovery Rate Calculation

Dear Ms. O'Donnell:

Please accept the enclosed Citipower, L.L.C. Quarterly Report of Gas Cost Recovery Rate Calculation, filed October 31, 2005 for rates to be effective December 1, 2005 based on the reporting period from May 1, 2005 through July 31, 2005. To the best of my knowledge, this filing is complete and accurate, is in accordance with the requirements of the Commonwealth of Kentucky Public Service Commission.

The Public Service Commission may, as it has in the past, correct the Quarterly Report of Gas Cost Recovery Rate Calculation provided by Citipower, and issue its Order based on its corrected Calculation. If the Commission corrects the enclosed Calculation and issues its Order based on the Commission's corrected Calculation, please provide me with a legible copy of the Commission's corrected Calculation for my future reference.

Sincerely,



John Forsberg

Citipower, LLC

COMPANY NAME

QUARTERLY REPORT OF GAS COST
RECOVERY RATE CALCULATION

Date Filed:

October 31, 2005

Date Rates to be Effective:

December 1, 2005

Reporting Period is Calendar Quarter Ended:

July 31, 2005

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	16.62
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	< .1125
+ Balance Adjustment (BA)	\$/Mcf	< .1167
<u>= Gas Cost Recovery Rate (GCR)</u>	\$/Mcf	<u>16.390</u>

GCR to be effective for service rendered from 12/1/05 to 2/28/06

A. EXPECTED GAS COST CALCULATION

	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Schedule II)	\$	1,210,188
+ Sales for the 12 months ended <u>7/05</u>	Mcf	<u>85,033</u>
<u>Expected Gas Cost (EGC)</u>	\$/Mcf	<u>16.62</u>

B. REFUND ADJUSTMENT CALCULATION

	<u>Unit</u>	<u>Amount</u>
Supplier Refund Adjustment for Reporting Period (Sch. III)	\$/Mcf	
+ Previous Quarter Supplier Refund Adjustment	\$/Mcf	
+ Second Previous Quarter Supplier Refund Adjustment	\$/Mcf	
+ Third Previous Quarter Supplier Refund Adjustment	\$/Mcf	
<u>= Refund Adjustment (RA)</u>	\$/Mcf	

C. ACTUAL ADJUSTMENT CALCULATION

	<u>Unit</u>	<u>Amount</u>
Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf	.0200
+ Previous Quarter Reported Actual Adjustment	\$/Mcf	.0772
+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	< .4223
+ Third Previous Quarter Reported Actual Adjustment	\$/Mcf	.2126
<u>= Actual Adjustment (AA)</u>	\$/Mcf	<u>< .1125</u>

D. BALANCE ADJUSTMENT CALCULATION

	<u>Unit</u>	<u>Amount</u>
Balance Adjustment for the Reporting Period (Schedule V)	\$/Mcf	{ .0591
+ Previous Quarter Reported Balance Adjustment	\$/Mcf	{ .0469
+ Second Previous Quarter Reported Balance Adjustment	\$/Mcf	.0091
+ Third Previous Quarter Reported Balance Adjustment	\$/Mcf	< .0198
<u>= Balance Adjustment (BA)</u>	\$/Mcf	<u>< .1167</u>

SCHEDULE II
EXPECTED GAS COST

Actual* Mcf Purchases for 12 months ended 7/31/05

(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Mcf	(5)** Rate	(6) (4)x(5) Cost
Forexco, INC			85,033		\$ 1,210,18

Totals 85,033 \$ 1,210,18

Line loss for 12 months ended _____ is _____% based on purchases
_____ Mcf and sales of _____ Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	1,210,18
+ Mcf Purchases (4)	Mcf	85,033
= Average Expected Cost Per Mcf Purchased	\$/Mcf	16.62
x Allowable Mcf purchases (must not exceed Mcf sales + .95)	Mcf	85,033
= Total Expected Gas Cost (to Schedule IA.)	\$	1,210,185

*Or adjusted pursuant to Gas Cost Adjustment Clause and explained herein.
**Supplier's tariff sheets or notices are attached.

SCHEDULE III

SUPPLIER REFUND ADJUSTMENT

Details for the 3 months ended _____ (reporting period)

<u>Particulars</u>	<u>Unit</u>	<u>Amount</u>
Total supplier refunds received	\$	
+ Interest	\$	
= Refund Adjustment including interest	\$	
÷ Sales for 12 months ended _____	Mcf	
= Supplier Refund Adjustment for the Reporting Period (to Schedule IB.)	\$/Mcf	

Citipower, LLC

SCHEDULE IV

ACTUAL ADJUSTMENT

For the 3 month period ended 7/05
(reporting period)

Particulars	Unit	Month 1 (5/05)	Month 2 (6/05)	Month (7-05)
Total Supply Volumes Purchased	Mcf	5,358	3,981	2,879
Total Cost of Volumes Purchased	\$	41,015	33,353	27,231
÷ Total Sales (may not be less than 95% of supply volumes)	Mcf	5,358	3,981	2,879
= Unit Cost of Gas	\$/Mcf	7.66	8.38	9.46
- EGC in effect for month	\$/Mcf	7.55	8.67	8.67
= Difference [(Over-)/Under-Recovery]	\$/Mcf	.11	<.29>	.79
x Actual sales during month	Mcf	5,358	3,981	2,879
= Monthly cost difference	\$	589	<1155>	2,274

	Unit	Amount
Total cost difference (Month 1 + Month 2 + Month 3)	\$	1,708
÷ Sales for 12 months ended <u>7/31/05</u>	Mcf	85,033
= Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf	.0200

Citipower, LLC

SCHEDULE V

BALANCE ADJUSTMENT

For the 3 month period ended July 31, 2005
(reporting period)

Particulars	Unit	Amount
(1) Total Cost Difference used to compute AA of the GCR effective four quarters prior to the effective date of the currently effective GCR.	\$	28,700
Less: Dollar amount resulting from the AA of <u>.3944</u> \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of <u>85,595</u> Mcf during the 12-month period the AA was in effect.	\$	< 33,759 >
Adjustment for the AA.	\$	< 5,059 >
und Adjustment including interest of the GCR effective four quarters prior to the effective date of the currently effective GCR.	\$	
nt resulting from the RA of _____ compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of _____ Mcf during the 12-month period the RA was in effect.	\$	
Adjustment for the RA.	\$	
stment used to compute BA of the GCR effective four quarters prior to the effective date of the currently effective GCR.	\$	
nt resulting from the BA of _____ compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of _____ Mcf during the 12-month period the BA was in effect.	\$	
Equals: Balance Adjustment for the BA.	\$	
Total Balance Adjustment Amount (1) + (2) + (3)	\$	
+ Sales for 12 months ended <u>8105</u>	Mcf	85,595
Balance Adjustment for the Reporting Period (to Schedule ID.)	\$/Mcf	< 0.0591 >

1(a) 4 QTRS prior

Sch IV

1(b)

**Citipower LLC
Schedule V
Balance Adjustment
Filing 10/31/05**

<u>Month</u>	<u>Mcf</u>
September-04	3,443
October-04	4,275
November-04	7,772
December-04	12,419
January-05	12,044
February-05	11,744
Mar-05	13,024
Apr-05	5,489
May-05	5,358
June-05	3,981
July-05	2,879
August-05	3,167
	<u>85,595</u>

**Citipower LLC
Quarterly Report of Gas Cost
Recovery Rate Calculation
Filing 10/31/05**

**Schedule II
Expected Gas Cost**

Month	Mcf	Expected Rate	Cost
Aug-04	2,605	16.6200	43,302
Sep-04	3,443	16.6200	57,216
Oct-04	4,275	16.6200	71,051
Nov-04	7,772	16.6200	129,171
Dec-05	12,419	16.6200	206,404
Jan-05	12,044	16.6200	200,171
Feb-05	11,744	16.6200	195,185
Mar-05	13,024	16.6200	216,459
Apr-05	5,489	16.6200	91,227
May-05	5,358	16.6200	89,050
June-05	3,981	16.6200	66,164
July-05	2,879	16.6200	47,849
	85,033	16.6200	1,210,185

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41.55/3
 = 13.85
 x 1.2 Btu
 \$ 16.62

Month <small>Click for chart</small>	Session									Pr.Day		Options
	Open	High	Low	Last	Time	Sett	Chg	Vol	Ticks	Sett	OpInt	
Nov 05	13.7	14.07	13.3	13.7	14:30	-	-0.34	37743	13771	14.04	18230	Call Put
Dec 05	13.8	14.08	13.44	13.65	14:30	-	-0.41	21556	6023	14.06	79963	Call Put
Jan 06	14.08	14.369	13.75	14	14:29	-	-0.37	7332	1638	14.37	71640	Call Put
Feb 06	13.95	14.209	13.65	13.9	14:29	-	-0.32	2638	706	14.22	28373	Call Put
Mar 06	13.5	13.785	13.3	13.6	14:29	-	-0.17	6206	774	13.77	50030	Call Put
Apr 06	10.72	10.905	10.65	10.8	14:20	-	-0.09	3042	537	10.89	31716	Call Put
May 06	10.5	10.55	10.42	10.5	13:54	-	-0.08	1010	248	10.58	24006	Call Put
Jun 06	10.57	10.61	10.5	10.5	14:14	-	-0.09	282	146	10.59	10615	Call Put
Jul 06	10.55	10.648	10.5	10.59	14:12	-	-0.04	251	129	10.63	14502	Call Put
Aug 06	10.6	10.64	10.53	10.6	13:58	-	-0.07	610	105	10.67	17168	Call Put
Sep 06	10.55	10.623	10.54	10.56	13:59	-	-0.085	226	70	10.645	12376	Call Put
Oct 06	10.58	10.6	10.54	10.6	11:48	-	-0.08	1681	97	10.68	24395	Call Put
Nov 06	10.92	11.05	11.01	11.05	11:48	-	-0.075	109	72	11.125	10243	Call Put
Dec 06	11.46	11.505	11.46	11.505	13:37	-	-0.055	208	78	11.56	11600	Call Put
Jan 07	11.88	11.88	11.75	11.81	10:52	-	-0.07	313	56	11.88	12509	Call Put
Feb 07	11.8	11.78	11.7	11.73	11:04	-	-0.06	309	43	11.79	5265	Call Put
Mar 07	11.4	11.44	11.38	11.4	10:53	-	-0.07	123	38	11.47	11534	Call Put
Apr 07	9.15	9.15	9.15	9.15	10:10	-	-0.04	130	20	9.19	10948	Call Put
Jun 07	8.85	8.85	8.85	8.85	12:22	-	-0.045	5	3	8.895	3269	Call Put
Dec 07	9.85	9.9	9.85	9.85	14:15	-	-0.017	87	13	9.867	4826	Call Put

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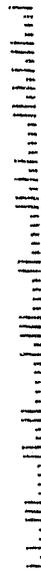
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